

In re Reissue Patent Application  
for Patent No. 5,711,100  
**WILLIAM A. ELMER**  
Serial No. 10/098,648  
Filing Date: March 15, 2002

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**Remarks**

Applicant and undersigned would like to thank the Examiner for his guidance in the examination of this application. Claims 1-26 remain in the case. As guided by the Examiner, amendments have been made to the specification, drawings (replacement sheet including FIG. 1A, and redlined versions attached) and claims (Claim 4) in response to the objections and rejections under 35 USC 112 and 132. Further, a new Declaration is herein presented. The original patent will be surrendered in response to a Notice of Allowance. The Examiner is now asked to reconsider his rejections based on the following arguments.

**The Rejections Under 35 U.S.C. §103**

A. **Commercial Success Has been Clearly Demonstrated Under the Controlling CAFC Decisions**

Claims 2, 3 and 19-25 are rejected as obvious over the combination of the EP '194 reference together with George, and Claims 13-17 are rejected on the same basis further in view of Podoloff. In making these rejections, the earlier affidavits of Sharon W. Elmer under 37 C.F.R. §1.132 are entirely discounted. Specifically, the Office Action contends that Mrs. Elmer's affidavits (a) fail to provide a nexus between the claimed invention and the purported success in the marketplace; (b) fail to provide sufficient evidence that the commercial success is based upon the features of the claimed

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invention; and (c) do not show that the success may be the result of increases in sales due to a competitor going out of business, the total number of car top signs being sold having increased significantly and so forth. With due respect, these reasons for rejecting Mrs. Elmer's clear evidence of commercial success are directly contrary to the decisions of the Court of Appeals of the Federal Circuit on this issue.

The term "nexus" is defined in Webster's Unabridged Third New International Dictionary as a "connection, interconnection, tie, link." Mrs. Elmer's original July 8, 2003 affidavit and her supplemental affidavit of January 21, 2004 show a clear, unequivocal link between the claimed invention and the commercial success that is enjoyed by the licensee of Applicant's invention. For example, in Mrs. Elmer's original affidavit, after stating the significant yearly increases that had been recognized, she then states at ¶¶ 7 and 8 the connection between the commercially successful car top signs and the claimed invention:

7. Each of the signs sold by HTH referenced in the chart above contained all of the elements recited in the claims of the '100 patent and the new claims added in the reissue application. In discussions with customers who have purchased the signs made according to the '100 patent, I have learned that a number of the claimed features and the overall combination of features has contributed significantly to the commercial success of the signs manufactured and sold by HTH in accordance with the '100 patent.

8. For example, I have learned that customers rely upon (a) the stability of the sign while attached to a vehicle in operation, achieved in part through the recessing of the unitary base within the sides of the completely enclosed sign; (b) the use of multiple spaced magnets each employing a dish-shaped non-magnetic housing around the magnet to facilitate the easy removal of the sign, despite the hold-down capabilities of the multiple magnets; and (c) the ability of the sign to conform to the shape of different vehicle roof tops through the facile use of the

flexible sleeve-fastener combination with the magnets, which further facilitates the decoupling of the magnets when the sign is being removed.

In the Office Action of October 24, 2003, criticism was directed to Mrs. Elmer's original affidavit on the grounds that the "increases in sales could be do [due] to increases in advertising, reducing the sales price of the product, etc." (quoting from page 7 of the Office Action). In response to those criticisms, Mrs. Elmer's supplemental affidavit of January 21, 2004 specifically addressed these concerns at ¶¶2 -8, reproduced next:

**A. The Sign Design Enjoying Commercial Success Employs the Construction Features of Claims 2, 3 and 13-17**

2. In my earlier affidavit at ¶¶7 and 8, I pointed out that I had learned from my contacts with HTH customers that the commercial success of HTH signs was due to the distinctive combination of features recited in both the original and added claims presently in the reissue application. While in ¶8 I referenced specific features, I did not intend to limit those features.

3. In fact, the commercial success enjoyed by the HTH signs is also based upon the combination of features recited in Claims 2, 3 and 13-17. Specifically, the design employed in all of the signs which were the subject of the sales referenced in my earlier affidavit employ an advertising member having a base, ends and sides formed together into a completely enclosed hollow body, with plural magnets and means such as a fastener and an associated flexible sleeve attaching each magnet to the base so that each magnet can pivot and adjust to differences in slope along the vehicle metal panel to which the sign is attached (Claims 2 and 3). Further, the recessing of the magnets using portions of the sides of the sign contribute significantly to the stability of the signs in use, a factor which has contributed to commercial success (Claims 13-16). The use of a coating extending along the bottom of each magnet is a feature which provides a particular commercial benefit, in that it avoids scratching of the roof surface (Claim 17).

**B. HTH Has Not Increased Its Advertising Expenditures**

4. As I pointed out in my earlier affidavit at ¶6, HTH realized the significant increase in sales levels from 1994-2002 relative to the sales in 1993, without significant increase in HTH's advertising expenses during that time. In fact, taking into account the annual cost of living increase and/or inflation figure for each year from 1994 through 2002 and occasional catalog reprinting costs, the increase in advertising expenses for each year in comparison to the advertising expenses in 1993 as a percentage are at least an order of magnitude less than the increase in sales (relative to 1993) for each year.

5. Thus, the commercial success enjoyed by HTH for the sign design described in Claims 1-25 of the pending application very definitely was not affected by increases in advertising expenditures.

**C. HTH Did Not Reduce the Sales Price of the Signs Covered by Claims 1-25**

6. As I pointed out in my earlier affidavit at ¶6, the signs covered by Claims 1-25 of this application are substantially more expensive than HTH's best-selling advertising signs prior to 1993.

7. The commercial success enjoyed by HTH for the sign design covered by Claims 1-25 of the application most definitely is not related to any reduction in the sales price of these signs. In fact, HTH has never reduced the sales price; the sales price has only been increased as was necessary to take into account cost of living and/or inflation factors.

8. Thus, the commercial success of the HTH sign design according to Claims 1-25 in this application is not at all related to any reductions in prices.

The seminal case of the Federal Circuit dealing with "nexus" is Demaco Corp. v.

F. Von Langsdorff Licensing Ltd., 851 F.2d 1387, 7 U.S.P.Q. 1222 (Fed. Cir. 1988),  
cert. denied 488 U.S. 956 (1988). In Demaco, the court unequivocally stated that:

A *prima facie* case of nexus is generally made out when the patentee shows both that there is commercial success, and that the (product or method) that is

commercially successful is the invention disclosed and claimed in the patent. (7 U.S.P.Q. 2d 1226).

Speaking for the court, Judge Newman went on to specifically reject the type of additional, negative requirements sought to be imposed in the earlier October 24, 2003 Office Action as well as the current Office Action, in the following language:

A patentee is not required to prove as part of its prima facie case that the commercial success of the patented invention is *not* due to factors other than the patented invention. It is sufficient to show that the commercial success was of the patented invention itself. A requirement for proof of the negative of all imaginable contributing factors would be unfairly burdensome, and contrary to the ordinary rules of evidence. See 9 *Wigmore* §2486 at 291 ("Thus, in most actions of *tort* there are many possible justifying circumstances...; but it would be both unfair and contrary to experience to assume that one of them was probably present and to require the plaintiff to disprove the existence of each one of them") (emphasis in original). See also *Hybritech Inc. v. Monoclonal Antibodies, Inc.*, 802 F.2d 1367, 1382, 231 USPQ 81, 92 (Fed. Cir. 1986), *cert. denied*, 107 S.Ct. 1606 (1987), where the court stated that "the record shows that advertising makes those in the industry - hospitals, doctors, and clinical laboratories - aware of the diagnostic kits but does *not* make these potential users buy them; the products have to work, and there is no evidence that that is *not* the case here or that the success was *not* due to the merits of the claims sandwich assays - clearly contrary to the district court's finding." (Emphases in original). (7 U.S.P.Q. 2d at 1227).

The holding in Demaco was later relied upon in Tec Air, Inc. v. Denso Mfg. Michigan Inc., 192 F.3d 1353, 1361, 52 U.S.P.Q. 2d 1294, 1299 (Fed. Cir. 1999). The holding in the Demaco case has also been consistently followed by the lower courts. In the decision of In re Certain Crystalline Cefadroxil Monohydrate, 15 U.S.P.Q. 2d 1263 (U.S. ITC 1990), the commission followed the decision in Demaco, holding that:

The Federal Circuit, however, has indicated that, to establish commercial success, a patentee need only prove a prima facie case *and need not disprove that extraneous factors other than the claimed invention are responsible for a product's success in the market.* (15 U.S.P.Q. 2d at 1270; emphasis added).

As the Court of Appeals for the Federal Circuit has rejected extraneous possible negative causes a proof requirement for applicant here, it is respectfully submitted that Mrs. Elmer's declarations clearly support a determination of non-obviousness with respect to Claims 2, 3, 13-17 and 19-25.

B. The Submitted Evidence Demonstrates Structural Differences Between the Subject Matter of the Rejected Claims and the EP '194 Reference

Applicant has submitted substantial evidence demonstrating significant structural differences between the subject matter of Claims 2, 3, 13-17 and 19-25 with respect to the EP '194 reference.

In his affidavit at Exhibit 9 of the earlier amendment, patent attorney Julian C. Renfro noted at ¶¶7 and 8 the definition of "sleeve" (appended to his affidavit as Attachment B), and pointed out that there was no corresponding "sleeve" in the EP '194 reference. The earlier Office Action defines a "sleeve" as an "encasement into which an object fits." However, no reference is given to where that definition is found; certainly that language is not contained in the definition set out in Webster's Third New International Dictionary at Attachment B to Mr. Renfro's affidavit. Clearly, the resilient member in EP '194 is not a "sleeve" through which anything extends. In fact, this member 115 has a hollow core and is glued or otherwise attached to the magnet 112, a form of construction that is remarkably different than Applicant's.

In his affidavit, Mr. Renfro also pointed out that the EP '194 reference only discloses that the magnets "are spatially movable at least in a restricted manner...". Mr. Renfro then further positively asserted that this language does not teach one of ordinary skill in the art that the magnets are pivotal so as to conform to the shape of the roof of the vehicle.

In reply, the Office Action states that "making the sleeve (115) out of a resilient rubber... would inherently allow the magnet to pivot." Applicant respectfully traverses this "inherency" argument, because the reference clearly does not teach that the magnets are intended to pivot in order to conform to the shape of the roof.

At ¶9 of his affidavit, Mr. Renfro carefully notes that dependent Claim 3 "specifically recites that the fastener extends through the magnet, its flexible sleeve and into the base," pointing out that no such arrangement is disclosed in the EP '194 reference, since the head of the bolt 117 rests directly against the unnumbered washer which abuts the rail 114 (Figure 6 in EP '194). Clearly, the EP '194 reference does not disclose a fastener which extends through the magnet, through the flexible sleeve and into the base as recited in Claim 3.

In his affidavit, professional engineer Paul J. Halyard pointed out in ¶¶5-9 the significant differences between the flexible sleeve arrangement recited in Claim 2 and the resilient member construction in the EP '194 reference. The "real world" engineering considerations specifically enumerated by Mr. Halyard substantially

highlight the significant differences between the specific limitations of Claims 2 and 3 and the applied references.

In response to Mr. Halyard's engineering analysis, the earlier Office Action suggests that these are mere arguments for which there is insufficient proof. Respectfully, Mr. Halyard's opinion is evidence which is to be given considerable weight, just as the testimony of any expert witness is to be given weight in any evidentiary proceeding.

Claims 13-17 are rejected under 35 U.S.C. §103 on the combination of the EP '194, George and Podoloff references. However, a careful analysis of the limitations of Claims 13-17 demonstrates that these claims contain limitations not found in the combination suggested in the Office Action.

Claim 13 depends upon and further limits Claim 2 and recites plural magnet receptacles, each of which extends below a remaining portion of the base around each receptacle. Respectfully, there is no element in any of the applied references that corresponds to the "receptacles" disclosed in Applicant's specification and shown in the drawings as element 112. In the Office Action, it is suggested that element 14 of Podoloff constitutes a "housing" which extends below the magnetic member 12. However, element 14 is not a housing, but instead is simply "a resiliently deformable sleeve of generally annular shape..." (Podoloff reference, column 2, lines 61-62).



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Claim 14 depends upon Claim 13 and recites that each receptacle extends along a portion of an adjacent side of the advertising member. Clearly, no such construction is demonstrated in the combination of references, particularly not Podoloff. Likewise, Claim 15 depends upon Claim 14 and recites that each receptacle extends along a portion of an adjacent end; for the same reasons, the applied references do not show this construction feature.

Claim 16 depends upon Claim 15 and further recites that each magnet receptacle surrounds at least one of the magnets. Because of its dependency upon Claims 13, 14 and 15, Claim 16 clearly defines over the Podoloff reference.

Claim 17 depends upon Claim 2 and adds a further limitation to that claim. Since Claim 2 is patentably distinct over the combination of the EP '194 and George references, the addition of Podoloff to a rejection of Claim 17 does not add anything to the deficiencies of the two principal references.

## **VI. Summary and Conclusion**

Respectfully, Applicant submits that the above amendments and remarks meet all of the objections, informalities and rejections set out in the most recent Office Action, and passage to issue is therefore respectfully solicited.

Applicant and undersigned would like to again thank the Examiner for his guidance in the examination of this application and for reconsideration of the claims in

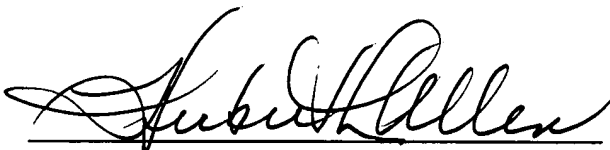
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## REISSUE LITIGATION

the case. If the further prosecution of this application can be facilitated through a telephone interview between the Examiner and the undersigned, the Examiner is respectfully requested to telephone the undersigned at the Examiner's convenience.

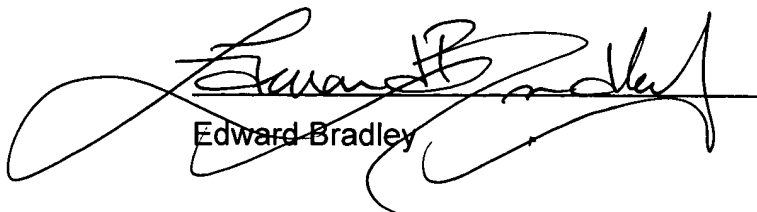
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### CERTIFICATE OF MAILING

I hereby certify that the foregoing is being deposited with the U.S. Postal Service as First Class Mail addressed to: Mail Stop Reissue, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450, this 1<sup>st</sup> day of September, 2004.



Edward Bradley

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## **REISSUE LITIGATION**

### **In the Drawings**

Subject to the approval of the Examiner and responsive to the Examiner's guidance of his June 4, 2004 Office Communication, enclosed herewith is a Replacement Sheet including modified drawings for FIG. 1A and a "Annotated Marked-Up Drawings" showing the amendments with red lines to more clearly illustrate modifications including the beveled head **132** and lead lines for numeral **134** and **136**.

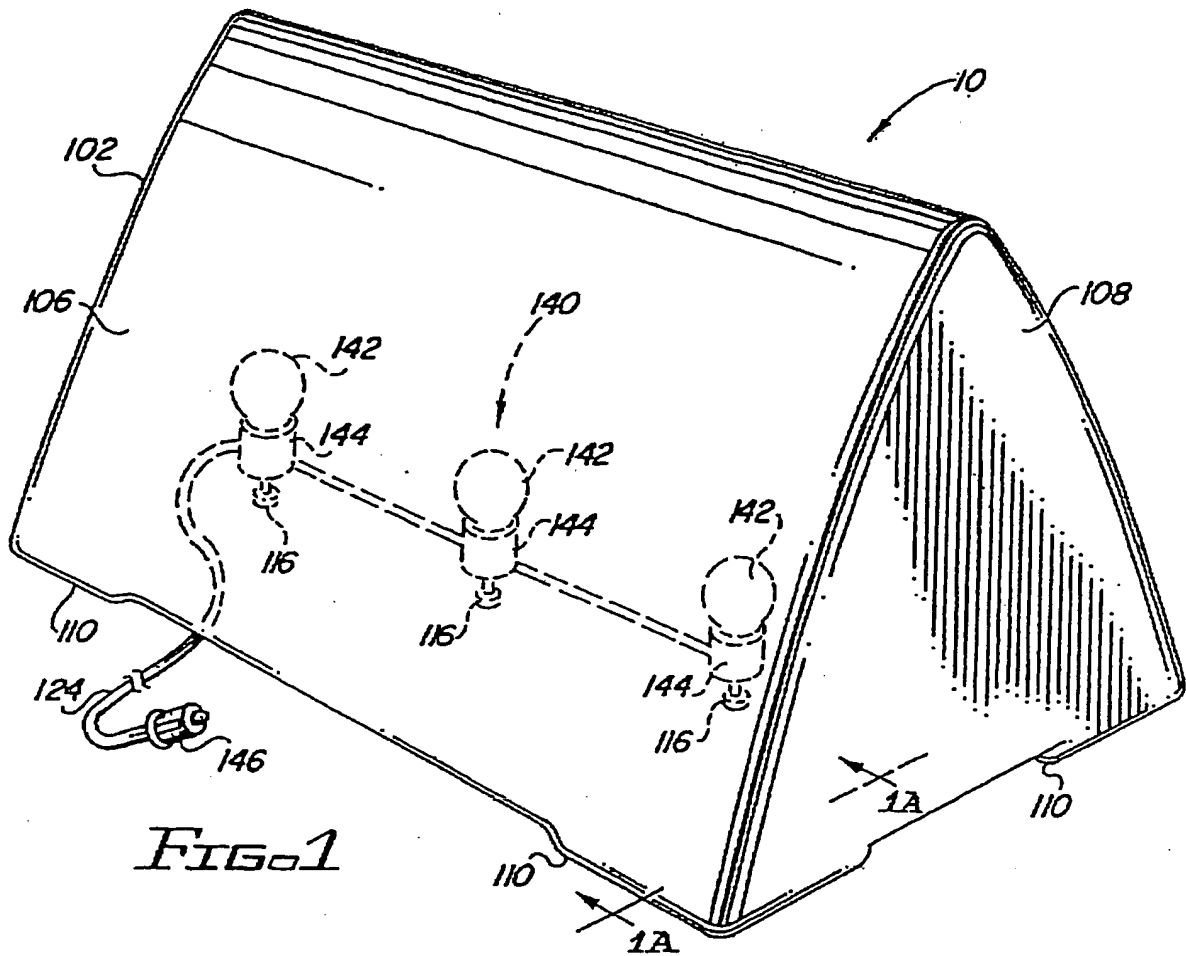


FIG. 1

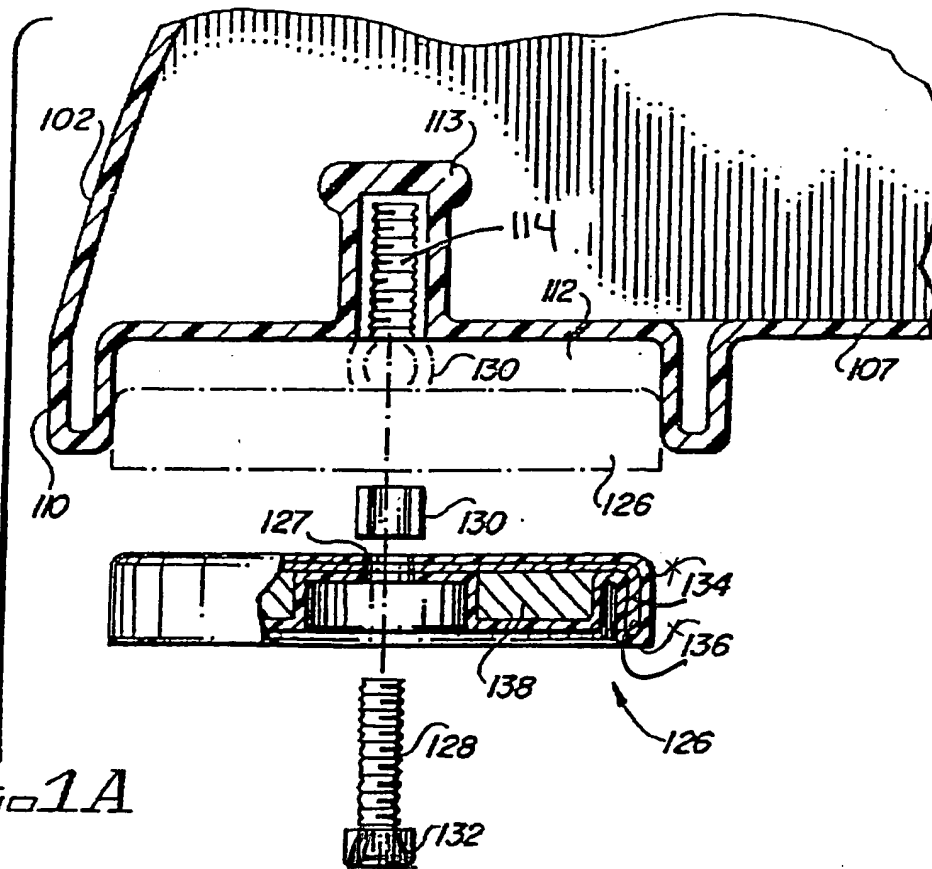


FIG. 1A